



An Information Service of the Division of Medical Assistance

**North Carolina
Medicaid Pharmacy
Newsletter**

Number 1087

July 2002

In This Issue...

Federal and State MAC lists

Federal MAC List Changes

Changes in the Early Refill Override

POS Overrides

POS Billing Time Limit

Changes in Drug Rebate Manufacturers

Place Holder on POS for Compound Drugs

Drug Coverage for Impotence Drugs

Electronic Funds Transfer Form – Fax Number Change for Submittals

Published by EDS, fiscal agent for the North Carolina Medicaid Program
1-800-688-6696 or 919-851-8888

Federal and State MAC lists

The Federal and State MAC lists will no longer be listed in the pharmacy newsletters, but can be located on DMA's website at www.dhhs.state.nc.us/dma. Changes to the Federal MAC list will be listed as part of the pharmacy newsletter.

Federal MAC List Changes

Effective May 11, 2002, the following changes were made to the Medicaid Drug Federal Upper Limit List:

Deletions

Generic Name

Captopril; Hydrochlorothiazide
25mg; 25mg, Tablet, Oral, 100
50mg; 15mg, Tablet, Oral, 100

Naproxen Sodium
250mg Base, Tablet, Oral, 100
500mg Base, Tablet, Oral, 100

Nitrofurantoin, Macrocrystalline
50mg, Capsule, Oral, 100
100mg, Capsule, Oral, 100

Price Increases

Generic Name

New Price

Albuterol Sulfate	
2 mg Base, Tablet, Oral, 100	\$0.0477 B
4 mg Base, Tablet, Oral, 100	\$0.0900 B
Allopurinol	
100 mg, Tablet, Oral, 100	\$0.0784 B
Amitriptyline Hydrochloride	
10 mg, Tablet, Oral, 100	\$0.0570 B
Amoxicillin	
125 mg/5 ml, Powder for Reconstitution, Oral, 150	\$0.0201 B
Atenolol	
100 mg, Tablet, Oral, 100	\$0.0750 R
Benzotropine Mesylate	
0.5 mg, Tablet, Oral, 100	\$0.1185 B
1 mg, Tablet, Oral, 100	\$0.1403 B
2 mg, Tablet, Oral, 100	\$0.1767 B
Cimetidine Hydrochloride	
EQ 300 mg base/5 ml, Solution, Oral, 240 ml	\$0.1139 B
Furosemide	
20 mg, Tablet, Oral, 100	\$0.0563 B
40 mg, Tablet, Oral, 100	\$0.0599 B
Isosorbide Mononitrate	
20 mg, Tablet, Oral, 100	\$0.4950 B

Naproxen		
500 mg, Tablet, Oral, 100		\$0.1792 B
Primidone		
250 mg, Tablet, Oral, 100		\$0.6405 B

Changes in the Early Refill Override

In the April 2002 newsletter, we informed you of the upgrade to NCPDP 3.2. Effective July 15, 2002, the hard edit on early refills will be implemented. For providers using version 3.2, a reason code will need to be indicated for the early refill override in addition to the DUR override. The following are the approved reason codes for overriding early refill and should be entered in the prescription clarification field:

03=Vacation Supply- To be used if the patient is going out of town and needs medication refilled early.
 *note - this will not allow more than 34 days to be indicated in the days supply field.

04=Lost Prescription- To be used if the patient has lost their medication

05=Therapy Change- To be used if the dosage is changed on a current medication.

Providers still using version 3C will be given until August 15 to upgrade to the new version. After that date, there will be no override capabilities for the early refill alert using NCPDP Version 3C.

There are no approved reasons for early refill overrides on controlled substances.

Example of Early Refill Process:

Once the pharmacist has verified with the patient the reason for the early refill, the following should occur. After receiving the alert the pharmacist will enter the following DUR override: CC = ER, IC = P0, OC = 1B. In addition to this, one of the reason codes listed above will also need to be indicated in the prescription clarification field. If any fields are left blank, the claim will deny.

POS Overrides

Listed below are the current acceptable codes in the PA/MC field.

- "1" - PAMC- USED TO OVERRIDE THE MEDICARE EDIT *
- "2" - PAMC- SUPPLY-OVERRIDE
- "3" - PAMC- BOTH-SUPPLY-RXLIMIT (New: Both "2" and "5" are requested)
- "4" - PAMC- COPAY-EXEMPT
- "5" - PAMC- RX-LIMIT-EXEMPT
- "8" - PAMC- BOTH-EXEMPT (combines both "4" and "5")
- "9" - PAMC- ALL-SUPPLY-COPAY-RXLIMIT (New: "2", "4" and "5" are requested)

* This override can be used to override the Medicare edit, when a drug is not covered by Medicare (the reason for non-coverage should be noted on the prescription).

POS Billing Time Limit

Pharmacy claims can now be submitted on line up to 1 year from the date of service.

Changes in Drug Rebate Manufacturers

The following changes are being made in manufacturers with Drug Rebate agreements. They are listed by Manufacturer code, which is the first five digits of the NDC.

Additions

The following labelers have entered into drug rebate agreements and joined the rebate program effective on the dates indicated below:

<i>Code</i>	<i>Manufacturer</i>	<i>Date</i>
00535	Gilbert Laboratories	03/29/2002
63004	Questcor Pharmaceuticals, Inc	04/11/2002
65847	Scios, Inc.	03/14/2002
66239	Scientific Laboratories, Inc.	04/02/2002
66424	SDA Laboratories, Inc	04/15/2002
66479	Xanodyne Pharmacal, Inc.	04/17/2002
66490	Xcel Pharmaceuticals, Inc	04/02/2002
66607	Rare Disease Therapeutics, Inc.	03/27/2002
66779	Regent Labs, Inc.	03/27/2002
66825	Biocodex Incorporated	04/16/2002
66869	ProEthic Laboratories, LLC	04/28/2002

Terminated Labelers

The following labeler is being voluntarily terminated as of July 1, 2002:

Summers Laboratories, Inc. (Labeler Code 11086).
 3M Pharmaceuticals (Labeler Codes 21200 and 51131); and
 PTS Labs (Labeler Code 65005).

Reinstated Labelers

Miza Pharmaceuticals USA, Inc. (Labeler Code 52238) and EMT-RX (Labeler Code 64054) have signed new rebate agreements and will be reinstated in the drug rebate program effective July 1, 2002.

Doak Pharmaceuticals, Labeler Code 10337

CMS notified North Carolina Medicaid that Bradley Pharmaceuticals (Labeler Code 10337) was being terminated from the drug rebate program effective April 1, 2002. Note that Doak Dermatologics, a division of Bradley, in fact owns Labeler Code 10337. Over the past several months, Doak has submitted the pricing data we had not previously received. It has also documented extensive and ongoing efforts to pay outstanding rebates, including interest where applicable. The company has also submitted a new rebate agreement. North Carolina Medicaid added the Doak products back on their list of covered drugs effective April 16, 2002.

Place Holder for Compound Claims Now Available

A place holder for the 6 prescription limit can now be captured via the POS system for compound drug claims. In order for this to work, the pharmacist will need to send a prescription with one of the compound NDC's. If the compound is the first compound of the month for a patient, then 00990-0000-00 should be used as the NDC. If the second compound for the month, then 00990-1000-00 should be used. A message that the transaction was accepted will be received and a reminder that the claim must be submitted either by batch or paper to receive payment. If the placeholder is sent in error, it can be reversed just like any other POS claim.

Drug Coverage for Impotence Drugs

Effective, July 1, 2002, impotence drugs for males 25 and over will no longer require prior approval. The limit of 2 units per month will remain in effect. The physician must continue to document the medical necessity for these impotence drugs by writing "erectile dysfunction" in his own handwriting on the face of the prescription.

For males, 24 years and under, the physician will need to submit a request for prior approval accompanied by documentation of medical necessity for these drugs to the following address:

N.C. Division of Medical Assistance
Attn: Sharman Leinwand, MPH, R.Ph.
2511 Mail Service Center
Raleigh, North Carolina 27699-2511
FAX (919) 733-2796

An authorization code will be assigned to all requests that are approved. This code must be included on the prescription to notify the pharmacist that the prescription has been approved for dispensing. Claims for these patients will need to be submitted on a manual claim form.

Electronic Funds Transfer Form – Fax Number Change for Submittals

Providers are instructed to use the following fax number when submitting Electronic Funds Transfer (EFT) forms to the EDS Financial Unit: 919-816-4399.

EDS offers EFT as an alternative to paper check issuance. Providers are required to complete and submit an EFT form to initiate the automatic deposit process. Providers must also complete and submit a new EFT form (see page 27) if they change banks or bank accounts.

A deposit slip or voided check confirming the account number and bank transit number must be attached to the EFT form. Completed forms may be mailed to EDS at the address listed below or they may be faxed to the EDS Financial Unit.

EDS
Attention: Financial Unit
P.O. Box 300011
Raleigh, NC 27622

Note: There is an interim time period of two checkwrites during which providers will receive a paper check before automatic deposit begins or resumes to a new bank account. The top left corner of the last page of the provider's Remittance and Status Report will indicate **EFT number** rather than **check number** when automatic deposit begins or resumes.

Electronic Funds Transfer (EFT) Authorization Agreement for Automatic Deposits (EFT)

Electronic Data Systems currently offers Electronic Funds Transfer (EFT) as an alternative to paper check issuance. This service will enable you to receive your Medicaid payments through automatic deposit at your bank while you continue to receive your Remittance and Status Report (RA) at your current mailing address. This process will guarantee payment in a timely manner and prevent your check from being lost through the mail.

To ensure timely and accurate enrollment in the EFT program, please fill out the form on this page, attach a deposit slip or voided check and return them by mail to:

EDS- Financial Unit, P.O. Box 300011, Raleigh, NC, 27622
or
Fax: 919-816-4399, Attention: Finance-EFT

We will run a trial test between our bank and yours. This test will be done on the first checkwrite you are paid after we receive this form. Thereafter, your payments will go directly to your bank account. Your RA will continue to come through the mail. On the last page of your RA in the top left corner it will state "EFT number" rather than "Check number" when the process has begun. Contact Provider Services at 1-800-688-6696 with any questions regarding EFT.

Thank you for your cooperation in making this a smooth transition to Electronic Funds Transfer, and for helping us to make the Medicaid payment process more efficient for the Medicaid provider community.

We hereby certify this checking or savings account is under our direct control and access; therefore, we authorize Electronic Data Systems to initiate credit entries to our checking or savings account indicated below and the depository name below, hereafter called DEPOSITORY, to credit the same account number.

DEPOSITORY NAME _____
BRANCH _____
CITY _____ STATE _____ ZIP CODE _____
BANK TRANSIT/ABA NO. _____
ACCOUNT NO. _____

This authority is to remain in full force and effect until EDS has received written notification from us of its termination in such time and in such a manner as to afford EDS a reasonable opportunity to act on it.


PROVIDER NAME(S) _____
BILLING PROVIDER NUMBER _____
DATE _____ SIGNED _____

Please list a name and telephone number of someone to contact with questions EDS may have on initiating this automatic deposit.

CONTACT _____ TELEPHONE NUMBER _____

USE A SEPARATE FORM FOR EACH PROVIDER NUMBER.

⇐ A DEPOSIT SLIP OR VOIDED CHECK MUST BE ATTACHED FOR EACH BANK ACCOUNT IN ORDER FOR US TO PROCESS YOUR EFT.

DEPOSIT TICKET							
JOHN B. SMITH 123 East Main St. Anytown, USA 12345 DATE _____ 19____	22/1040/465 						
<table border="1"> <tr> <td>CASH</td> <td></td> </tr> <tr> <td>TOTAL</td> <td></td> </tr> <tr> <td>UNRECORDED</td> <td></td> </tr> </table>	CASH		TOTAL		UNRECORDED		DEPOSIT EACH ITEM IS ENDORSED
CASH							
TOTAL							
UNRECORDED							
FIRST UNITED BANK OF ANYTOWN ROUTING AND TRANSIT NO. 123456789 @23010565 @ 1000000495945							

Checkwrite Schedule

July 16, 2002
July 23, 2002
July 31, 2002

August 13, 2002
August 20, 2002
August 29, 2002

September 4, 2002
September 10, 2002
September 17, 2002
September 26, 2002

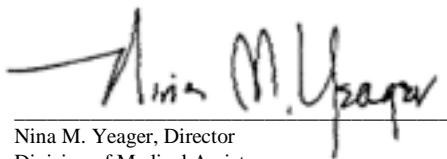
Electronic Cut-Off Schedule

July 12, 2002
July 19, 2002
July 26, 2002

August 9, 2002
August 16, 2002
August 23, 2002
August 30, 2002

September 6, 2002
September 13, 2002
September 20, 2002

Electronic claims must be transmitted and completed by 5:00 p.m. on the cut-off date to be included in the next checkwrite. Any claims transmitted after 5:00 p.m. will be processed on the second checkwrite following the transmission date.



Nina M. Yeager, Director
Division of Medical Assistance
Department of Health and Human Services



Ricky Pope
Executive Director
EDS

e

P.O. Box 300001
Raleigh, North Carolina 27622

Presorted Standard

U.S. POSTAGE
PAID
Raleigh, N.C.
Permit No. 1087

